

JAMES M. THOMSON  
COMMISSIONER OF INSURANCE

THOMAS S. NARDO  
FIRST DEPUTY COMMISSIONER



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STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE

April 30, 1984

ADMINISTRATIVE  
LETTER 1984-2

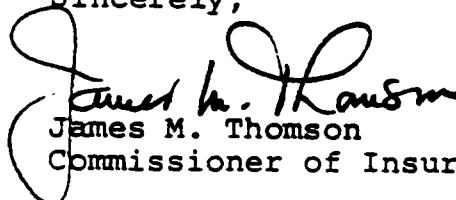
TO: ALL COMPANIES AND RATE SERVICE ORGANIZATIONS LICENSED  
FOR PROPERTY AND CASUALTY INSURANCE IN THE COMMONWEALTH  
OF VIRGINIA

RE: ADMINISTRATIVE LETTER 1983-10  
Company/Rate Service Organization Filing Effective  
Date Rules

By Administrative Letter 1983-10 dated November 4, 1983, the Bureau of Insurance advised you that, effective on filings received on or after December 1, 1983, the Bureau of Insurance would require that each filing contain an effective date rule based on policy effective date(s) only. You were advised to specifically include the words "policies effective" so that there would be no misinterpretation in the future of your intent. A copy of Administrative Letter 1983-10 is printed on the reverse hereof.

The majority of filings received since December 1, 1983 have not complied with the requirements outlined in Administrative Letter 1983-10. Therefore, filings received in this office on or after May 14, 1984 which do not comply with Administrative Letter 1983-10 will be disapproved and returned to the company without further review as to acceptability.

Sincerely,

  
James M. Thomson  
Commissioner of Insurance

JMT/mle

JAMES M. THOMSON  
COMMISSIONER OF INSURANCE

THOMAS S. NARDO  
FIRST DEPUTY COMMISSIONER



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STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE

November 4, 1983

ADMINISTRATIVE  
LETTER 1983-10

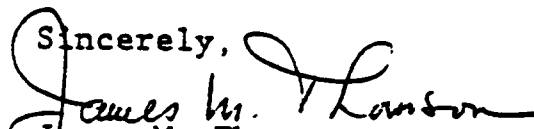
TO: ALL COMPANIES AND RATE SERVICE ORGANIZATIONS LICENSED  
FOR PROPERTY AND CASUALTY INSURANCE IN THE COMMONWEALTH  
OF VIRGINIA

RE: Company/Rate Service Organization Filing Effective Date  
Rules

Market Conduct examinations conducted by the Bureau of Insurance have revealed a severe problem as respects effective date rules used by companies both in their rule, rate, and form filings, and in filings made on their behalf, and the interpretation of such rules. Examinations of companies have shown that individual underwriters within a particular company interpret their company's effective date rule(s) differently. In addition, it has been determined that some effective date rules are unfairly discriminatory to policyholders. For example, when a company makes a filing which indicates that the changes are applicable to "policies written" or "policies issued" on or after one date and to all "policies effective" on or after another date, this results in identical risks with the same policy effective date being charged different rates and/or receiving different coverages.

In order to clarify your intent and to prevent unfair discrimination among risks in Virginia, effective on filings received on or after December 1, 1983, the Bureau of Insurance will require that each filing contain an effective date rule based on policy effective date(s) only. This does not preclude the use of separate dates for policies effective on one date for new business and a different policy effective date for renewal business. You will be required to specifically include the words "policies effective" so that there will be no misinterpretation in the future of your intent.

Sincerely,

  
James M. Thomson  
Commissioner of Insurance

JMT/mle